

**ASSEMBLY BILL**

**No. 2714**

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**Introduced by Assembly Member V. Manuel Perez**

February 19, 2010

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An act to amend Section 14021 of the Corporations Code, to add Chapter 2 (commencing with Section 13986) to Part 4.5 of Division 3 of Title 2 of, and to repeal Article 7 (commencing with Section 65054) of Chapter 1.5 of Division 1 of Title 7 of, the Government Code, relating to the Office of Small Business Advocate.

LEGISLATIVE COUNSEL'S DIGEST

AB 2714, as introduced, V. Manuel Perez. Office of Small Business Advocate.

Existing law creates the Office of Small Business Advocate in the Office of Planning and Research in the Governor's office. Existing law creates the California Small Business Development Board for the purpose of, among other things, advising the Governor and the Small Business Advocate regarding issues and programs affecting California's small business community.

This bill would move the Office of Small Business Advocate to the Business, Transportation and Housing Agency. The bill would also provide that a representative of the Office of Small Business Advocate sit on the California Small Business Development Board.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14021 of the Corporations Code is amended to read:

14021. The board consists of the following membership:

(a) The Secretary of Business, Transportation and Housing or his or her designee.

(b) Six members appointed by the Governor, one of whom will serve as chair of the board, who are actively involved in the California small business community.

(c) Two persons actively involved in the business or agricultural communities, one appointed by the Speaker of the Assembly and one appointed by the Senate Committee on Rules.

(d) Two Members of the Legislature or their designees, one appointed by the Speaker of the Assembly and one appointed by the Senate Committee on Rules, shall serve on the board insofar as it does not conflict with the duties of the legislators.

(e) *A representative of the Office of Small Business Advocate.*

SEC. 2. Chapter 2 (commencing with Section 13986) is added to Part 4.5 of Division 3 of Title 2 of the Government Code, to read:

## CHAPTER 2. CALIFORNIA SMALL BUSINESS ADVOCATE

13986. (a) The Legislature finds and declares that it is in the public interest to aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise and maintain a healthy state economy.

(b) In order to advocate the causes of small business and to provide small businesses with the information they need to survive in the marketplace, there is created within the Business, Transportation and Housing Agency the Office of Small Business Advocate.

(c) The advocate shall post on its Internet Web site the name and telephone number of the small business liaison designated pursuant to Section 14846.

13986.1. The following definitions apply to this article, unless otherwise indicated:

1 (a) "Advocate" means the California Small Business Advocate  
2 who is also the Director of the Office of Small Business Advocate.

3 (b) "Director" means the Director of the Office of Small  
4 Business Advocate.

5 (c) "Office" means the Office of Small Business Advocate.

6 13986.3. (a) The Director of the Office of Small Business  
7 Advocate shall be appointed by, and shall serve at the pleasure of,  
8 the Governor.

9 (b) The Governor shall appoint the employees that are needed  
10 to accomplish the purposes of Section 13986, this section, and  
11 Section 13986.4.

12 (c) The duties and functions of the advocate shall include all of  
13 the following:

14 (1) Serve as the principal advocate in the state on behalf of small  
15 businesses, including, but not limited to, advisory participation in  
16 the consideration of all legislation and administrative regulations  
17 that affect small businesses, and advocacy on state policy and  
18 programs related to small businesses on disaster preparedness and  
19 recovery including providing technical assistance.

20 (2) Represent the views and interests of small businesses before  
21 other state agencies whose policies and activities may affect small  
22 business.

23 (3) Enlist the cooperation and assistance of public and private  
24 agencies, businesses, and other organizations in disseminating  
25 information about the programs and services provided by state  
26 government that are of benefit to small businesses, and information  
27 on how small businesses can participate in, or make use of, those  
28 programs and services.

29 (4) Issue a report every two years evaluating the efforts of state  
30 agencies and, where appropriate, specific departments that  
31 significantly regulate small businesses to assist minority and other  
32 small business enterprises, and making recommendations that may  
33 be appropriate to assist the development and strengthening of  
34 minority and other small business enterprises.

35 (5) Consult with experts and authorities in the fields of small  
36 business investment, venture capital investment, and commercial  
37 banking and other comparable financial institutions involved in  
38 the financing of business, and with individuals with regulatory,  
39 legal, economic, or financial expertise, including members of the

1 academic community, and individuals who generally represent the  
2 public interest.

3 (6) Determine the desirability of developing a set of rational,  
4 objective criteria to be used to define small business, and develop  
5 that criteria, if appropriate.

6 (7) Seek the assistance and cooperation of all state agencies and  
7 departments providing services to, or affecting, small business,  
8 including the small business liaison designated pursuant to Section  
9 14846, to ensure coordination of state efforts.

10 (8) Receive and respond to complaints from small businesses  
11 concerning the actions of state agencies and the operative effects  
12 of state laws and regulations adversely affecting those businesses.

13 (9) Counsel small businesses on how to resolve questions and  
14 problems concerning the relationship of small business to state  
15 government.

16 (10) Maintain, publicize, and distribute an annual list of persons  
17 serving as small business ombudsmen throughout state government.

18 (11) Consult with the Department of Transportation in the  
19 development and administration of the Small and Emerging  
20 Contractor Technical Assistance Program established pursuant to  
21 Article 2.6 (commencing with Section 14137) of Chapter 2 of Part  
22 5 of Division 3 of Title 2.

23 13986.4. (a) Each agency of the state shall furnish to the  
24 advocate the reports, documents, and information that are public  
25 records and that the director deems necessary to carry out his or  
26 her functions under this chapter.

27 (b) The advocate shall prepare and submit a written annual  
28 report to the Governor and to the Legislature that describes the  
29 activities and recommendations of the office.

30 (c) The advocate may establish a centralized interactive  
31 telephone referral system to assist small and minority businesses  
32 in their operations, including governmental requirements, such as  
33 taxation, accounting, and pollution control, and to provide  
34 information concerning the agency from which more specialized  
35 assistance may be obtained. The advocate may establish and  
36 advertise a telephone number to serve this centralized interactive  
37 telephone referral system.

38 13986.5. In addition to its other responsibilities under this  
39 article, the advocate shall do the following:

1 (a) Develop on its Internet Web site, and update as necessary,  
2 a handbook about emergency preparedness, responses to  
3 emergencies, and recovery strategies for small businesses.

4 (b) Conduct, no later than July 1, 2008, at least three public  
5 meetings, and one public meeting every other year thereafter, to  
6 share best practices for small business disaster preparedness. The  
7 meetings shall be held in consultation with regional and statewide  
8 small business organizations and shall take place in different  
9 locations throughout the state.

10 SEC. 3. Article 7 (commencing with Section 65054) of Chapter  
11 1.5 of Division 1 of Title 7 of the Government Code is repealed.